THE

STATE, THE POOR, & THE COUNTRY

PATTERSON

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B. B. R. A. S.

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INCLUDING SUGGESTIONS ON

34454

THE IRISH QUESTION

BY

R. H. PATTERSON

AUTHOR OF 'THE SCIENCE OF FINANCE,' ETC.

MEMBER OF THE SOCIETY OF POLITICAL ECONOMY, PARIS
AND OF THE STATISTICAL SOCIETY, LONDON

WILLIAM BLACKWOOD AND SONS
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PREFACE.

THE present depression of trade, and the widespread distress which prevails among our working-classes, constitute the chief motive of this publication. The larger part of this little work is simply a reprint of the concluding chapter (entitled 'The State, the Poor, and the Country') of my work on *The Science of Finance*, published two years ago. The measures which in 1867 appeared to me desirable in themselves, as a new policy of State-action, will, it is to be hoped, prove specially worthy of attention now, when the circumstances of the country are attracting to this important problem the earnest thoughts of all classes of the community.

In a large work on Financial and Monetary Science—a practical exposition of the methods by which the wealth of a nation is, or might be, best economised, and also made most effectually to do its natural work as the great lever of production—the single concluding chapter, in which I quit the domain of science to deal suggestively with questions of Government and politics, is little likely to meet the notice or obtain the attention of the general public. Hence I now publish it separately, with a preliminary supplementary chapter, and also with some additions to my remarks on the question of Railways for Ireland.

I do not disguise from myself the great obstacles which must be overcome before the suggestions in this treatise can be fully adopted and carried into effect by the Government. But these obstacles are mainly those of Time. Time is needed before the public mind can get out of its old grooves, and become so ripe for new action as to justify the Government in embodying the new opinions in legislative action.

Doubtless the recent Reform Act, by which all classes alike have been made partakers in the work

and duties of Government, is calculated to give special force to some of the views advocated in this, and also in my larger work. The masses, on the whole, know best where the shoe pinches; and, very properly, they will loudly call the attention of Parliament to the matter. But it is to the *élite* of the nation, the natural leaders of the people, that I look for the initiation and wise framing of the remedial measures. I have firm faith in the wisdom and virtue of the People: but the People which I mean is not the masses alone, but the complete Nation—the whole body-politic,—in which the general wants are loudly expressed by the masses, and enforced by their preponderance of votes, but the remedies for which wants must ever come, if they come wisely and well, from the upper and middle classes—the *élite* of which constitute the head and heart of the body-politic.

January 10, 1870.

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THE

STATE, THE POOR, AND THE COUNTRY.

I.

SOCIETY AND THE POOR.

In India of old—and indeed until within the memory of the present generation, when the rule of Christian England put a stop to the practice—when a man grew too aged and infirm to be able to be of any more use to himself and others, he was carried by his family to the banks of the holy Ganges, and, after being laved with its sacred waters, was left to die; or, in order to expedite the process, his mouth was stopped with a handful of mud from the holy stream. This was the Indian system of Poor-laws. In all ages and countries, especially where Christianity has not introduced

its beautiful principle of humanity—briefly but impressively embodied in our Saviour's maxim, "Do unto others as you would that they should do unto you,"—whatever doctrine or practice is deemed necessary by Society, is soon invested with the higher sanction of Religion. What appears necessary to society, society seeks to make a religious custom. We are far from saying that this is done with a consciousness of the process: we do not believe that the hopes or terrors of religion are invoked by Society simply as a means of upholding customs which it deems an essential part of the public wellbeing; but unconsciously the human mind, in the person of lawgivers and priests, naturally tends to impose a religious character upon every habit of life which society deems to be essential. Hence arose the Indian custom of exposing aged parents to death—really, though in almost every case unconsciously, as a means of getting quit of the duty of maintaining them—a duty impossible in a poor population like that of the masses of ancient India, or indeed in a great part of India at the present time, where every class is left to look after itself, and where wealthy Rajahs never give a moment's thought, or a rupee of cash, to

save the sick or aged members of the poor labouring class from indigence and starvation. Accepting as hopeless the impossibility of maintaining aged members of the poorer classes, the practice of exposing them to death was accepted as inevitable, and was elevated into a religious custom, in order to make tolerable a practice itself of the most barbarous and unfeeling kind. The aged themselves did not complain, for they were told that by so dying by the holy stream they were made sure of Paradise; and their family was equally solaced by the same thought. This, we say, was the Poor-law of ancient and pre-Christian India.

No such horrid doctrine and sights are to be met with here: but, considering the happier position of our own country, is our treatment of the aged and helpless poor really better than that above described? Think of the noble precepts of Christianity and humanity which prevail here, and of the immense wealth with which our country teems; think of the humane spirit which we feel, or at least profess, and of the immense means which England possesses compared to India, whereby to give effect to those doctrines and duties; and then say if our treatment of the poor is really such as can satisfy

our hearts, or will be approved by the Future. The Poor will be always with us. It is impossible to conceive a millennium when pinching poverty and suffering age will not exist as a dark spot in civilisation, and as a pain to every right-feeling member of the community. There is nothing, surely, that dulls the enjoyment of the fortunate so much as the thought or knowledge of the thousands of honest families existing in penury—families, it may be, once as comfortably circumstanced as ourselves, but now living in a garret or small lodging-room in these long, cold, dark winter nights, without a candle to light the room, or even a fire to warm their ill-fed and thinly-clothed bodies—families thankful even for the bare means of sustaining life without crime. Nay, more: think of the sights which meet us in our daily walks to business—of the old shivering figures sitting beneath some archway or in other sheltered nook from the cold biting wind, looking as if inanimate, with a basket or tray slung before them, offering (if it can be called offering) pencils and other trifles for sale to the passers-by, who only turn away their heads from the painful and piteous sight. There you will see these poor aged figures sitting like lay-figures day

after day, exposed to the rains and the wind and the cold, from morn till darkness, in the hard effort to win a few pence to keep them alive—to protract the gift of life which has long ceased to be a boon to them, but to which they still cling with that strange strong instinct which Nature imparts. And the thought arises, Is this really better for them than the fate which their similars used to meet in India, —to be committed to death by their families as a holy service, and to meet it with the sure prospect before them of a Paradise which is to repay them for their sufferings here? Look even at the shoeless ragged hungry urchins who sweep our crossings, and touch their foreheads (where a hat should be) soliciting a halfpenny, and saying, "Thank you, sir," when you condescend to soften the refusal by telling them you have no coppers; urchins without a ray of the mind- or soul-light imparted to them, uneducated either morally or intellectually, and growing up (if they survive) to be Pariahs and Ishmaelites within the bosom of a wealthy, civilised, and Christian society, which nevertheless does so little for them,—neglect to be paid-for afterwards in police and prison rates, if not in personal loss and bodily injury.

Such things can never be wholly removed, though they may be mitigated. But what shall we say of the open mendicancy which prevails throughout the country, and forms a blot in our social system? At all seasons, but most of all in winter, is not the sight of mendicancy in our highways, in our streets, at our doors, an ever-present daily spectacle? It may be some old man tottering from door to door, or a poor widow, or deserted wife with a baby at her breast and a string of little ones by her side, trudging through the mud of the street, singing dolefully some hymn or chant or ditty. Ay, singing! What a strange thing for the wretched to sing! But it is their cry for help,—it is the call they utter to reach the ears of those living comfortably within, a prayer or appeal that may enter the doors they even fear to knock at. How often does this sad sight present itself, or this wailing call for aid reach our ears, when seated with our family at our own comfortable meals? And does it not shame us to listen without aiding,—do we not feel as if the very morsel in our mouths would choke us if we did not give to these poor outcasts a penny or a piece of bread?

They should go to the Workhouse, you say. Go to the Workhouse! Well, why don't they go? If

to apply at Workhouses were better or less distressing than their mendicancy, would they not go and apply? Is it to spite themselves that they lead this dreary weary famishing life? Absurd! How many difficulties ere they get admission! What severing of mothers and children, husbands and wives—what total rupture of the only ties which perchance still give an interest (it cannot be a zest) to life! No: nor could all our Workhouses suffice to hold and support them. Suppress mendicancy! Yes, by all means; but first provide the means of doing so. Provide the ready admission first,—and that is not yet done. But is that all? Poverty throughout the length and breadth of Christian England, if it is not treated as a crime, is at least branded as a disgrace. The man who has laboured as long as he had strength to do so—the helpless widow with her starving children, helpless from no fault of theirs —the halt, and lame, and disabled—if they are to obtain help, must go into Poorhouses, to meet humiliation even worse than they meet in the streets. We do not wish to censure, but to state facts. The helpless poor in Workhouses are not so well treated as the dogs which we keep in our houses or stables. Comparatively, they are not

better fed, and they receive all the cuffs without any of the caresses which occasionally, if not always, we bestow upon our dogs.

Lastly, there are the able-bodied men and women reduced to poverty by want of employment. For them, also, no help but to be packed in the Workhouses,—families broken up, and humiliated and demoralised by the (at present inevitable) ignominious treatment. Honest hard-working men, they ask for employment, and we give them only alms, and under the most humiliating conditions. Their self-respect is for ever gone. Once enter the doors of the Workhouse, and the man's heart and spirit, everything manly, is taken out of him. "Leave Hope behind, all ye who enter there!" In order to save a trifle, to make a small temporary economy, our Poor-law system so treats the able-bodied poor who ask only for work, as to degrade and make them paupers for ever. Is this economy? Is it not really a waste of the national wealth? Still more, far worse, is it not a destruction of virtue, manliness, self-respect, which constitute the very life of a Nation?

Such things should not be. I do not hesitate to say that every man or woman too aged or too

infirm to gain a livelihood—or the helpless children—have a claim as fellow-beings to be aided by the nation in such a manner as shall not be a humiliation and disgrace. Honest poverty is no crime, no disgrace, and ought not to be treated as such. It is one of the inevitable misfortunes of human life, and ought to be so acknowledged. Nay, more: every able-bodied man who cannot find employment, and is reduced to poverty thereby, is equally entitled to aid from the nation *without humiliation.* It is no fault of his if the mill where he works is closed, or the trade depressed. In such cases, however, the State should not give alms, but find work: the State should find him work, or give the means of emigration. I say these things boldly. It is by the labour of these men, as hands, that the intellect of the middle and upper classes multiplies its power, and gains increased profits. Far be it from me to say, as some men of high position have not scrupled to say, that it is by the labour of the masses that England has grown rich. Say rather, it is the brains, industry, and enterprise of the better classes that have found employment for our now immense population. It is Mind working through a thousand hands that makes

the wealth of England, and of every prosperous country. At the same time, it is true that without the *hands*, the head and the resolute will would reap but small returns; and I hold that the nation, which grows rich by its labourers, should make suitable provision out of its wealth so acquired for those labourers when there is a deficiency of work to employ them all. Society is a unit. All classes alike must share its burdens in proportion to their means. The honest poor, the unemployed workman, the aged and the suffering, have a just claim, not only in the sight of God and as a principle of religion, but as a rightful social claim upon the rest of the Society. Does this maxim startle you? But it is true. The Future, the advance of Humanity, will establish this great social principle; and I hope and believe that there are thousands of noble natures who already aspire after its fulfilment.

To do all this—to accomplish this great revolution in the interests of justice, humanity, and society—it is the State must move. Hitherto the State has been something apart from the nation—now it is the Nation itself. *Now* it must act: it must inaugurate a new era—a new system—a new

and happier time. The claptrap of leaving everything to "supply and demand"—of heartless Political Economy (so called, but not the true thing)—has had its day. The first want of mankind is the means of subsistence; but what does this "law" of supply and demand do here? What is at present reckoned the correct view of State economy? Is it to provide work for the poor, the honest, and the willing? Not at all. That is not the Political Economy (falsely so called) which is the idolatry of English politicians. It is for the State to stand aloof, when widespread distress prevails, and to give no help until the unemployed have sunk to the rank of paupers, when they are handed over to the humiliation and demoralisation of the Poorhouse, and the tender mercies of the local bodies so frequently *mis*named "guardians." The established idea is that the State shall pursue a course of its own, leaving the poor and the unemployed, even those of its own making, to be looked after by the ordinary working of a disgracefully inadequate Poor-law. At present, during a time of widespread and long-continued distress, we see national dockyards closed, and curtailments and dismissals made in all the lower branches of the public service, without a single

finger being lifted to mitigate the distress of the working-classes, which those curtailments and dismissal of labourers so greatly aggravate. What is the end? The taxes reduced one million. Grant it: but who gains? Not the poor, but the tax-paying classes. This may be all right, according to present notions; it is not to find fault we write, but to secure amendment. But if the Government thus lightens the burdens of the tax-paying middle and upper classes, what does it do for the thousand workmen it turns out of employment? It offers them the Poorhouse!—that is all.

It is all very well to say, Lighten the taxes, and the middle classes will be able to employ more labour. But may they not spend the sum so gained on foreign goods, wine, silks, and cigars—in foreign travel, or in a hundred ways which do not contribute a shilling to native employment? Besides, to throw a thousand men out of work is a direct hardship for them; while even at the best, the effect of reducing taxation, if it increases employment at all, will hardly touch a single man of these one thousand! Ought not the help to be as direct as the hardship? If the State makes paupers, ought it not to find other work for them? If not, it ought

certainly to give them the means of emigration; or else to maintain them without putting on them the demoralising brand of the Poorhouse.

You say, This is Utopian. So has every new scheme been called which aims at a higher organisation of Society. It disturbs the dreams of the wealthy, perhaps, but not if they are men such as they should be. Not if they are men who feel their wealth spoiled, and comfort lessened, by the sight and knowledge of the suffering of fellow-creatures who cannot help themselves. On the contrary, we appeal to the Nation, of which the fortunate classes form so large and influential a part, confident that they will feel a new happiness in responding to the appeal, once this idea comes home.

In no country in the world, we make bold to say, are the doctrines of humanity, as taught in their highest form in the religion of Christ, so much acted upon as in our own. What country in the world can approach ours in the number, magnitude, and excellence of our hospitals and infirmaries? Indeed, the division of labour in this matter has been carried out to an extent truly marvellous. There are hospitals for

every separate complaint to which flesh is heir, from fever and consumption and bodily injuries down to the setting right of club-feet and the cure of the eyes. Nay, there are hospitals even for the incurables. And all of these hospitals are the noble results of private charity. The State has had nothing to do with them. Walking through London, we meet hospitals and infirmaries in all directions: and what is the superscription in large letters upon many of them?—"Supported by Voluntary Contributions." The larger hospitals are originally the result of the beneficence of a single founder, swelled by subsequent legacies until their revenue is princely, and as certain as if it were derived from the Funds. But a whole host of smaller ones are supported from year to year by voluntary contributions. And so great is the spirit of charity in some members of our wealthier classes, that the case of one of those hospitals being compelled to close from lack of funds is almost, if not absolutely, unknown.

This is an honour to our country. It shows a merciful, Christian, and humane spirit, and deep feeling of duty towards our suffering brethren, which is admirable. It may be said that the sums

which voluntarily support those asylums of the sick and infirm are given out of their givers' abundance. If so, it would still be well; but in many cases they are given in a spirit of self-denial — the donors lessening not only their luxuries, but their comforts, in order to discharge what they rightly believe to be a duty to their fellow-creatures.

Or take the case of Education—the cure of Ignorance, that great disease of the mind. To how large an extent are the educational establishments of our country the result of private beneficence!—many of them the result of large donations by their founders, and others supported by the voluntary contributions of the gentry and clergy of the neighbourhood. In this matter, also, there is no country in the world where private voluntary liberality has done so much for the wants of the poorer classes. And in England it is only now that the State is beginning to do anything in the matter.

We have spoken of bodily infirmities, and of ignorance, the pauperism of the mind; we now come to the third great ill to which humanity is heir—namely, Poverty. "The poor ye have always with you," said Christ; and it will be, and it must be so, to the end of the chapter. How do we

deal with this? Again we say, in this as in the other cases, there is little fault to be found with our people as individuals. So far as individual efforts go, England does her work well. In country districts, where the circumstances of the poor are most fully known to their neighbours—where the population is, as it were, fixed to the soil—the farmers, gentry, and clergy give ceaseless aid to the poor, whether in temporary or permanent want, by gifts of milk, bread, and other little helps. In the towns, where the population is migratory, this work is far more difficult. But, apart from the soup-kitchens and other machinery put in operation every winter, and most in times of widespread distress, there are hundreds of the wealthier classes who make it a duty to give part of their income to the poor,—assisting them in many cases by domestic visiting, in which ladies chiefly do the humane work. The other form of individual and voluntary help to the poor is Almsgiving,—the giving a penny, or a loaf of bread, or shoes, or an old coat to the mendicants who come to our doors. A considerable sum is thus daily given to the poor. And, let us say it, this is charity in its worst form. Indiscriminate almsgiving, perhaps, has

more evils in it than blessings; for in most cases it is impossible to discriminate between the deserving and the undeserving. It is the worst form of charity, breeding many evils which statesmen should seek to cure. But still it is Charity. And, clearly as we see its evils, we are not prepared to condemn it. It may be a crime against political economy, but we say it would be a deplorable thing if it were lessened, without other help taking its place. We do not envy the man who can see an aged beggar at his door, or the blind or maimed, or a poor woman and starving children, and yet deny them help because the principle of the thing is bad. We speak after having fully considered the matter, and we still say that we cannot conceive any humane man turning away a beggar from his door unhelped (save when he is stamped with the mark of able-bodied rascality), without a crust or penny. True, even while giving the penny we often feel that it may be spent a few minutes afterwards at the beer-shop. Well, but what then? Place ourselves in the circumstances of these poor mendicants, and ask how we ourselves would act. This is the right way to judge. And before condemning those Pariahs of Society, let us ask, Does not the glass of beer send a

thrilling warmth, an hour's sensation of comfort and enjoyment, through their poor frames, such as makes for them a temporary paradise? Put yourself in his place—that is the rule to go by, most of all if we respect the Christian doctrine, to do as we would be done by.

Indiscriminate almsgiving is a bad thing; but how does it arise? Is any man willing to give his money without a reason? The sheer instinct (blessed instinct!) of humanity gives us a pleasure or relieves us from a remorse when we help the poor. That is true. But if it were felt and known that this wretchedness which appeals to us at our doors would be fully and properly dealt with elsewhere by other means, rely upon it this almsgiving (of which doctrinaires so much complain) would soon cease. Why, then, is it practised? Simply and entirely because we believe that the mendicants who come to our doors, or appeal to us in the streets, will not certainly obtain from any other quarter the help that they need. This is the cause of indiscriminate almsgiving. Remove it, and the practice will cease. Nay, the applications for this form of charity will also cease.

In disease we have the hospitals and infirmaries, all of which are the results of private beneficence

and voluntary contributions. The State does nothing. This also was the case as regards Education for the poor. The schools were founded by private individuals, or are maintained by voluntary contributions. And it is only within late years that the State has partially undertaken its legitimate work of furnishing education to that part of the community who cannot of themselves obtain it. The State, however, is now alive to this duty, and we need say no more.

As regards Poverty, the State has for many generations, in one way or other, acknowledged its responsibility: hence private charity is merely an auxiliary to the duty of the State. It is an acknowledged duty of the State to provide for the poor; and hence it is that, comparatively, neither the amount of individual wealth given to the poor, nor the mode of its administration, in any way correspond to the excellent efforts of private individuals for the relief of Disease and Ignorance. In the case of Poverty, individuals look to the State to attend to the matter, and individual action is therefore greatly less than it would otherwise be. But the sole part played by the State in this case—namely, the Poor-law—is eminently defective; nay, essentially bad. Our legislators, doubtless, have

done their duty in this matter to the best of their ability, according to the views of the time. Compared with other countries, our provision for the poorer classes, alike in disease and in poverty, is admirable. It is not as a complaint, but in order to urge improvement, that we write. The Poor-law must be amended in conformity with the spirit of humanity, and with the sense of Society as a corporate body, which must mark the future. The Poor-law is defective; it does not to any reasonable extent insure for inevitable poverty a solace, or even a bare subsistence; it is also demoralising to its recipients; and, lastly, it is expensive, seeing that it no way enables able-bodied men out of work to earn a living.

What, in fact, is our Poor-law? Hitherto the State—in many respects wisely—has thrown the relief of the poor entirely away from itself (save as a legislative body), intrusting it to each separate district or locality; but one of the wants of the age, still more of the future, is, that the State itself shall look after this matter, not as a *roi-fainéant*, legislating but not acting, but as a direct dealer with the poor. Society, I repeat, is a unit, and it ought to be regarded as such. The fortunate classes who make money must bear the burden of other

members of the community who are less fortunate. The wealthy have become so in the bosom of this society: their wealth has come not solely from their own brains and industry, but also by the subordinate aid of the other classes who as hands work out their enterprises. The manufacturer, the merchant, and the great contractor, who grow rich by a skilful employment of labour, must lighten the poverty of the hands by whose labour they have grown rich. So also must the farmer, who maintains himself in comfort by the labour of the rural population; and not less the landowner, whose property rises in value with every increment of the national wealth. The fortunate members of these classes—men who prosper in the bosom of a society, and by the paid aid of other members of that society—must in return bear the imposts requisite to alleviate the unavoidable poverty which befalls those helping hands. It should be with Society as with the Body, "If one member suffers, all suffer." This is the true and fundamental principle of every rightly-constituted community.

Ere we close, it will be seen that we have no desire to foster or palliate improvidence in the working-classes, or in any other members of society. The terms of relief will be, must be, such as offer

no inducement to neglect in providing means for a comfortable old age. No one whose circumstances enable him to do so will be tempted to neglect the duty of providence by the mere bare but not degrading means of subsistence which we propose, or which any poor-law system possibly can provide. Yet, after all, how difficult it is for myriads of the population of this and of any country to maintain themselves when advancing years have deprived them of their power of work, — or even of the buoyancy of working power which is requisite to gain a comfortable livelihood in a country like ours, where competition is so keen, in consequence of the supply of labour (from the natural increase of population) being usually in excess of the demand for it. Toil as they may, our working-classes (and I do not limit the term to our manual-labour class), even under favourable circumstances, have a hard task in providing for their old age—for that night of life when no man can work. They have brought up families, and the Family should do its duty so far as it can to the parent—the bread-winner, who supported its members in helpless infancy, and even, it may be, at no small cost to himself, started them in life. Yet in many cases, if not in all, the most a working-man can do is, by contributing to sick-

societies and others, to lay by so much as will keep himself during transient illness, or when temporarily out of employment. We regret to say it, but it really seems to us impossible for the working-classes as a body to lay-by enough to keep them during the impotence of old age.

And surely, there is no sight so shameful to a civilised, Christian, and prosperous community like ours, as that of mendicancy or starvation on the part of members of that community who have honestly toiled as long as they were able; or of others who, still in working power, are willing to work, but, from no fault of their own, cannot find employment. Old Age is inevitable as Infancy, and its helplessness ought to be equally respected. It is a solemn thing, that decay of human power as we approach the limits of life, and sink gradually down to helplessness, impotence, and death. Surely, if by universal consent we respect as sacred the helplessness of infancy, we ought not to forget the debt of tenderness and of aid which is due to Old Age,—to men and women who have honestly toiled and maintained themselves until incapacitated by the great and inevitable law of Nature.

Manhood in its prime, in the full career of busy life, is too often forgetful of the helplessness of its

childhood, or of the kind hands who then ministered to its wants,—who toiled that he, the babe, might be in comfort,—ay, and who toiled on still that he, the youth, might receive an education to fit him for the battle of life—a training, probably, far superior to any that the parents themselves ever received. Too often, we say, do men forget, in selfish thirst for their own pleasure or comfort, the long toil, the wealth of self-denying kindness, which was lavished upon them in youth, and which enabled them to win the comforts they now prize so dearly, and the wealth which they are so unwilling to lessen by sharing it with the aged parent or relative who can no longer labour for himself, although in his prime he so self-denyingly toiled for them. This is a bad sign of Society: wherever seen, it marks the gangrene of selfishness eating away all the nobler virtues.

It is a striking fact in the world's history, that the only nation which has maintained its existence from the earliest time in unbroken course and prosperity down to the present hour, is the one which has most of all honoured that grand instinct of nature and requirement of religion, "Honour thy father and thy mother!" And they—the Chinese—have reaped the Divine promise (though to them

unknown), that "thy days shall be long in the land which the Lord thy God giveth thee!" The Chinese nation, the whole strength of whose sages and lawgivers has been given to the organisation of a well-knit Society, framed on the sacred Family principle—where alone among the nations there never was slavery—has outlived all the most powerful nations and kingdoms of the earth. It has seen Babylon and Nineveh, Thebes and Persepolis, sink into the dust; and what was even the long rule of Rome, whether royal, republican, or imperial, but a passing splendour compared with the unbroken national life of China, where alone in the world the human race has gone on steadily increasing with the centuries from the earliest dawn of historic time down to the present day? Mutual aid is the fundamental basis of every rightly-constituted Society,—a body in which, if one member suffers, all suffer with it,—a great Family, where the duty of providing and caring for the helplessness of infancy is repaid by the corresponding duty of respecting and assisting the frailty of old age.

This is a question of no Party. It is a National question, in the fullest sense of the word. A nation is a corporate body, in which the fortunate classes must bear to a suitable extent the burdens of the

unfortunate. I repeat, it is not a party question; and I cannot show this better than by quoting the following passage from a history of the first French Revolution. I fell upon it by accident the other day, but it is so striking that I welcome it as most apropos :—

"The frightful misery in the interior of the empire, the natural result of the Revolution, at the same time attracted the attention of Government, and they prepared to meet it in a noble spirit. 'While the cannon,' said Carnot, in the name of the Committee of Public Salvation, 'thunders on the frontier, *mendicity*, that scourge of monarchies, has made frightful progress in the interior. Yet it is an evil disgraceful to a republic, incompatible with a popular government. The shameful word *beggar* should be unknown in a republican dictionary; and the picture of mendicity on the earth has hitherto been nothing but that of constant conspiracies of the class of proprietors against that of non-proprietors. Let us leave to insolent despotism the construction of hospitals, to bury the unfortunates whom it has created, or to support for a moment the slaves whom it could not devour. That horrible generosity of the despot aids him in deceiving the people. Despotism has favoured the mendicants, only because they were base and suppliant. But what has it done for the general widespread indigence of the country? What for tottering age or helpless infancy? What for the bereaved widow or the weeping orphan? Nothing; because they were independent, and would rather perish than fall at its feet. The

true principles of beneficence are to succour, *in their own homes, infancy and youth, where it is destitute; manhood, where it is sick or without employment; old age, where it is impotent or infirm.*' In pursuance of these just and enlightened principles, a great variety of regulations were brought forward and decreed for the relief, *in their own homes*—not in hospitals or by money charity—of orphan and destitute children, and their education; for the succour of middle-aged men and women in a state of temporary destitution; and for the permanent support of widows, the aged, and the impotent, as well as those who had been mutilated in the public service, and their widows and children.—'*Fas est et ab hoste doceri.*' The true principles of the management of the poor are to be found in this report of the Committee of Public Salvation; and regular Governments will never act so wisely for their own as well as their people's interest, as when they take this leaf out of the book of their enemies."*

* "The provisions of this law, evidently drawn up by Robespierre, and agreed to by the Committee of Public Salvation and the Convention, are very remarkable, and may serve as a model for many Governments, which in other respects with justice decry their proceedings. Its details are far too minute for a work of general history, but the principles on which they were founded were these:—1. That the succour of the destitute, the orphans, and the impotent, is a duty of the State, and should be discharged by the public functionaries, and from the State funds. 2. That the distribution of relief should be made by a public officer, to be appointed for that purpose in each of the departments of the Republic. 3. That in each department there shall be opened a register, to be entitled a 'Book of National Beneficence,' in which shall be a title, 1st, For infirm or aged cultivators; 2d, For infirm or aged artisans; 3d, For mothers and widows."—*History of Europe*, Vol. III., p. 291, 292 (8vo edition, 1859).

What a strange union is here presented to us, in this Report of the French Revolutionists, of wise and humane beneficence with fanatical hatred and deep-rooted prejudice! All the old forms of national charity, hospitals and others, are denounced as bad and intolerable—as the work of tyrants and despots and the selfish rich—as specious means deliberately devised to enslave the people! Defective and inadequate those charities were, no doubt; but whence came the terrible bigotry and prejudice by which they were denounced as a mere enginery of royal and social tyranny? The grand fault of the French Revolution was that its leaders, partly from mistaken views, partly from a selfish desire for advancement and power, sought—only too successfully—to rend asunder France into two rival camps, to separate the masses from their natural leaders, and to send the latter to the scaffold or into exile. They proscribed all the higher and educated classes—king, nobles, priests, and the rich generally—men of science too, like Bailly and Lavoisier, and also the whole class of literary men. "*Il faut proscire les écrivains,*" said Robespierre, "*comme les plus dangereux ennemis de la patrie.*" They bathed France in blood, in order to bring down the fabric of Society, the whole nation, to the level of the

masses—that headless trunk which they called "the People." They decapitated France, in the hope that the headless Nation would thereafter prosper. They put out its eyes, in faith that the blind Body would then better see its way to happiness. They swept away its Intellect, trusting vainly that the untaught and untrained instincts of the masses would serve as the truest compass. And when those mad and frightful measures failed, the only remedy, as seemed to them, was to lower to the middle- and even labouring-classes the sphere of massacre and proscription, till all France sickened at last at the bloody rule, under which things grew worse, far worse, than before.* Robespierre, at length awaking from his visions and revolting at the bloody rule, so opposed to his early and truer nature when he first exerted his fervent eloquence at Dijon in denunciation of all death-punishments —shocked, too, immeasurably and despairingly at the scoundrelism which filled all the posts of Gov-

* Even in the Faubourg St Antoine, what was the reply of the masses on the 9th Thermidor, when exhorted to rally in support of Robespierre and the Municipality? "What the better have we been," said they, "of all our insurrections? What has Robespierre done for us? When we are dying of famine, does he expect to satisfy us by the daily spectacle of a hundred aristocrats dying on the scaffold? Does he suppose we are cannibals, to feed on human flesh, and to drink human blood?"

ernment,—although conscious that there was nothing now before him but death, sought to remedy the overmastering evil by a last and crowning act of destroying the ruling Committees of Government and decimating the Convention itself. Wise too late, foiled in a frightful and impossible task, he fell before others worse than himself. And the whole grand dream of human perfectibility collapsed, ending in a temporary chaos. And we now look back upon that greatest movement in the modern world as a hideous terror mingled with noble dreams—as a movement pregnant with wise and beneficent schemes, united with unparalleled atrocities, such as, in the words of Sir James Mackintosh, the eloquent apologist of the Revolution, have rendered the Reign of Terror "the only series of crimes, perhaps, in history, which, in spite of the common disposition to exaggerate astounding facts, has been beyond measure *underrated* in public opinion."

But who was the author of this grand and benevolent scheme for the relief of the Poor, promulgated only a few weeks before the Terrorists fell, and France sank into reaction? Who was it who drew up the provisions of this great law of national aid? It was Robespierre, the greatest Radical that ever

lived. And who was it that thus endorses this law with his highest praise? Sir Archibald Alison, the greatest Tory author of this or any other age.

It may appear strange that, in this plan of relief for the poor and unemployed, no suggestion is made as to the employment of the able-bodied upon State works,—an idea so earnestly propounded by the leaders of the French Revolution of 1848, and then partially developed in the *ateliers nationaux*. That this project wholly failed in Paris in 1848 is not to be wondered at; for it was undertaken in a season of fierce and bloody revolution, when the State had no time to give proper heed to the scheme, and when the masses were in too excited a state to submit to the conditions imperatively requisite for a successful carrying out of such a project.

In order to grapple successfully with the relief of the poor and the helpless and the temporarily-unemployed in this country, mere provisions of "relief," however ample and however humanely carried out, are not sufficient. The ranks of the poor will increase until our host of temporary or permanent paupers becomes (is it not so already?) an intolerable disgrace to our country. There are but two ways by which this may be prevented. One of

these is Emigration. As a mere question of economy, the State has to consider whether it is not less costly (as it is certainly less demoralising) to convey to our colonies the surplus of able-bodied poor, rather than bear permanently the burden of maintaining by poor-rates an increased number of the helpless and unemployed. And in so assisting the unemployed to emigrate, why should we not employ the larger vessels of our navy, and our splendid military-transport ships, which at present lie useless from year to year? Why cannot we thus find service for them in time of peace, and thereby lessen the cost to the State in assisting the emigration of the poor?

What should be the general principle of procedure in this case? A Government scheme of emigration, we think, should deal chiefly with unskilled labour. For skilful artisans, the State should find temporary employment at home; but, where this offer is not accepted, the cost of transferring such operatives to another country should be borne by their trade-brethren, who will profit by their emigration, by obtaining higher wages than they would do if these competitors for employment remained at home. And in this case, of course, the emigrants would proceed to whichever country offered the best field

for their skilled labour, and where they could best repay (if required) the expenses incurred in their behalf by their fellow-workmen. But, as regards the main body of Government emigrants, the method of procedure might be as follows:—They should go in Families, and as agricultural colonists,—settling on portions of the vast unoccupied lands of Canada or Australia, to be assigned to them by the Colonial Governments, and which they would hold free for a certain number of years, after which they would pay rent to the Colonial Government. The Colonial Government should guarantee repayment of the money advanced to the emigrants by the Home Government, and also should receive and disburse any part of it which is to be expended on the emigrants after landing. This debt to bear no interest, but to be repaid to the Home Government as a first charge upon the rent of the lands assigned to the emigrants.

Emigration, however, is a serious drain upon the national strength. It takes away the able-bodied and most enterprising members of the unemployed, leaving the weak and helpless behind. It is impossible to ship off the inferior portion of our poor alone, for no country would allow them to be landed on its shores. Moreover, if emigration is to be had,

recourse to whenever a period of depression in trade and of diminished employment occurs, do we not thereby cripple our productive power when the crisis is over, and when trade and enterprise return to their ordinary condition? If we are hastily to ship off skilled artisans and able-bodied workmen during every season of distress, we shall impair the productive power of our country in a twofold manner, —alike by diminishing the number of producers, and by inordinately raising the rate of wages, and thereby rendering it impossible for our employers of labour to compete with those of other countries. Is there no other means, as welcome in the main to the poor, and more advantageous to the country? Can we not find means to give work to the unemployed portion of the labouring-classes during periods of temporary trade-depression (work not so well paid as in the ordinary times, yet sufficient to maintain them in tolerable comfort and perfect self-respect); that so, when trade and enterprise revive, these labourers may again be absorbed in their usual industry, and at their ordinary good wages? We answer confidently, Yes. But it can only be done by the direct action of the State, and in some such ways as we shall suggest in the sequel.

It is true that no action on the part of the State

can relieve the working-classes, or any members of the community, from evils self-imposed. Doubtless there are poor who are so from improvidence and lack of industry, rather than from want of work. Nevertheless let us offer them work, as the condition of the aid which they require. We must deal with the whole: we cannot let exceptions destroy the rule. Still more, there are poor who are so from defect or inferiority of natural organisation, bodily or mental, which even in the prime of life occasionally incapacitates them from earning the means of subsistence in the terrible battle of life which goes on ceaselessly in this densely-peopled country. This is no fault of theirs. Every one cannot have the gifts which make a Lord Chancellor, or a Dickens, or a Peabody, or a Rothschild; but would not every one gladly be so if he could? Let those who make fortunes be thankful that Providence has given them the power and circumstances to succeed in life, and not grudge to contribute their share, proportionate to their fortune, towards lightening the poverty of the poor, the feeble, and the ungifted natures—not to speak of the sick, the unemployed, and the helpless from old age or infancy—which unfortunately yet inevitably abound in every community.

II.

THE STATE AND THE WORKING-CLASSES.

THE object of a Government is to do for a community what the community cannot do for itself. A Government consists of a body of men whose business it is to act as guardians of the general interests, and as administrators of the public affairs, of the nation,—*plus* a vast amount of wealth yearly placed at its disposal for the purpose of carrying out these objects. In a self-governing country like ours, the State is simply the Nation acting through a chosen body of administrators,—a Body to whom the Nation delegates its power for administering the public affairs of the commonwealth. In my larger work * I have earnestly discountenanced all unneces-

* *The Science of Finance.*

sary interference of the State in affairs of private industry and enterprise,—because such affairs do not come within its province, nor is the State well fitted for their administration. I hold that the State should not engage in any business nor undertake any duty which can be equally, or even approximately, well done by the public. This is a principle applicable to all Governments, but specially applicable in a country like ours,—which is thoroughly self-governing; and also where the governing body is liable to so many changes that it is impossible to carry out any scheme of policy extending over many years with the facility that is afforded for such operations under an autocratic or despotic form of Government. Nevertheless there are many cases in which the intervention of the State is not only justifiable, but urgently needed, for the sake of the moral and social wellbeing of the commonwealth.

The weak point of Political Economy has hitherto been that, by many of its teachers, the financial test has in all cases been made absolute. The immediate production of wealth has frequently been made the sole object of the science: overlooking the fact, not only that the amount of wealth in a community is far from being an absolute test of

national wellbeing, but also that many an expenditure upon the improvement of the moral and intellectual condition of the people, howsoever unproductive in the first instance, or it may be for many years, transmutes itself into a positive financial gain in the end,—besides from the first conducing to the increased contentment and good order of the community.

In this treatise I desire to deal with some questions of this kind, as well as with others relating to the development of certain resources of the country which can hardly, if at all, be utilised without the intervention of the State.

The intervention of the State on behalf of the Poor, and of those weaker classes who are less able than the others to look after their own interests, is a natural function of all Governments, and is a recognised principle of the Government of this country. The poorer classes of this country have certainly not been neglected, either by the Government or by the rest of the community. No Government can fix the rate of wages: yet even in this respect the condition of our working-classes is far ahead of that of any others in Europe. And if it be inferior to that which prevails in America,

there are many advantages open to the poor and to the working-classes of this country, which are not possessed by the same classes in the United States. *There*, owing to special circumstances which no mere legislative acts can produce, the rate of wages is very high: but, except in regard to education, the Government declines to aid any one, —while the resources of private beneficence are infinitely inferior to those available in this country. With us, an immense sum is yearly raised in the form of Poor-rates, for the relief of indigence of all kinds. Hospitals, some of them possessed of princely endowments, exist in every city for the relief of the sick and the injured. Indeed, in this country, every ill that flesh is heir to finds an hospital, supported by private contributions, for its special treatment. Age likewise has its asylums, where the aged and indigent find a comfortable shelter for their declining years.

Yet much remains to be done on behalf of the weaker classes in which the State must take a foremost part. The poor are a misery to themselves, and a burden and a danger to the community. Any prosperity which rests upon a vast substratum of pauperism is unsatisfactory and unstable. Un-

satisfactory, because it is a slur upon Civilisation, and a source of unhappiness even to the wealthy, when alongside of great prosperity and wealth there exists a great amount of indigence and misfortune. It poisons the happiness of the prosperous, and forms a financial burden on the community. How can men be permanently happy when every day they see masses of suffering? One hot day in summer, a carriage drove up to Gunter's, in order that the fair occupants might enjoy his world-renowned ices: but a poor family stood, mother and children, at the door, begging piteously for alms: and the sight sufficed to spoil the intended indulgence. "How can we take this indulgence while these are starving?" and the ladies drove off. More or less, the same thing occurs to all of us. As we go along the streets, wrapped in warm coats, and with full stomachs, do we not every day, in this cold Christmas weather, come face to face with the poor crossing-sweepers and the piteous mendicants whom we so sedulously avoid: and does it not sadden us, amid our comfort, to see these miserable creatures?

The poor are a burden and a danger. Poverty breeds crime, as well as exacts rates. The more

Poverty, the more thefts and robbery; the more poor-rates, the more discontentment with Society and with Government. Poverty creates a hostile body, which wars against the rest of the community. Every family lifted out of indigence makes the political fabric stronger, the social body happier, the national wealth greater. One great end of legislation, therefore, should be to enable the working-classes to become less dependent for their daily food on their daily wages; and also to add to the producing classes the poor who at present cannot obtain work. If it were possible to take the idle population exactly to where they are wanted, the ranks of pauperism would be greatly thinned. We cannot do this by legislation alone. But are there not more means of employing this pauper class than have hitherto been called into play? We shall consider this question in the sequel: but first let us take the case of the Working-classes—the industrious portion of our lower orders,—and consider what means are available to help them to better their position.

First, as regards Education. The State makes every year a considerable expenditure for this purpose, in addition to the vastly larger expenditure

from local and private funds. And although our educational system is still very deficient, the defects are so fully acknowledged, and the public is so ready to do its part in remedying them, that hardly another year will elapse before the system will be made as nearly perfect as can be hoped for. Moreover, if our primary education be very defective—if the means of educating the poor require to be greatly supplemented,—there is no other country of equal magnitude in which all the higher means of education and of intellectual culture are so abundant. Literary and educational institutions of all kinds abound — from simple reading-rooms and libraries, to others in which those accessaries of culture are combined with educational classes, and with the delivery of lectures by men of high standing. Nor must we forget the important influence of the Press,—of the newspapers and cheap periodicals which flood the country with information and instruction.* Art-academies, also, are open to our artisans, raising their taste and increasing their

* "When I hear that the British people are not educated, that they are incapable of exercising what is very natural to a Briton, whether he possessed it before or not—namely, the exercise of the suffrage,—we forget that in this country there is a source of education perpetually going on, secular education of the highest class,

industrial skill. We are far from holding that the means of Scientific and Art culture open to our working-classes are yet as perfect as is required, alike in the interests of our artisans, and for the sake of maintaining our superiority over other countries in the manufacturing arts. The more abundant those means of culture, the higher will become the character of our artisans, and the greater will be the productive power of the country. Our territory, our area of production, is unalterably fixed by the engirdling seas, but the *development of the productive skill of our population is illimitable.* If we are to maintain our present position—if Britain is not to decline greatly in the scale of nations,—we must make up for the smallness of our territory by developing to the utmost the intelligence, moral condition, and productive power of our people.

The limitation by the State of the nature and hours of labour for women and children is another means of raising the condition of the weaker classes which is being earnestly applied by our Govern-

which affords a future mine for the performance of public and political duties; and that is the influence, thank God! of a free press. That is an educational power of the highest influence."—*Mr Disraeli at Edinburgh, Oct.* 1867.

ment. When the Factory Acts were first proposed, a great opposition was made to them, founded upon so-called principles of Political Economy; and a like outcry and complaint were recently heard in many quarters, in regard to the Act for extending the operation of those measures. It was at first, and to some extent is still, maintained that the limitation of the nature of the work, and of the hours of labour, imposed by those Acts in regard to women and children, is calculated to diminish the productive power of the country. And so it is, in the first instance. But such Political Economy is not only heartless, but eminently short-sighted. It disregards two grand elements of the question,—the element of the Future, and also the question of social wellbeing. One object of those Acts is, to prevent the entire withdrawal of the Mother from the Home,—to secure for the children, the infants, of our poorer classes at least some portion of maternal care and training. The other object is, to prevent the over-working of children, —to prevent selfish and greedy parents from prematurely converting their offspring into a means of increasing their gains, at the sacrifice alike of the health and of the future moral and intellectual

condition of those children. It is the duty of the State to take what means it can in order to insure a healthy and educated people. Hence it is right for the State to step in, in the period of childhood, to secure so far as it can the mother's care, an immunity from over-work, and the means of education, for that ever-rising growth of population which ere long will form the mass of the nation. By such means we seek to reverse the national condition so sadly bewailed by the Roman poet:—

> "Damnosa quid non imminuit dies?
> Ætas parentum pejor avis tulit
> Nos nequiores, mox daturos
> Progeniem vitiosiorem."

We seek to make the next generation better than the present one. The Political Economy (so-called) which objects to such measures might, with at least equal reason, object to a landowner planting a portion of his rough land with woods,—seeing that the immediate effect must be a diminution alike of his capital and of the profit from his land. He must wait years for a return. But the return will come in his case: and not less surely will it come in the case of a nation which makes a temporary sacrifice of the labour of a portion of its members in order

that those members may ere long become better, healthier, and more productive elements of the community than they would otherwise be.

In truth, there is a double gain from a State-policy of this kind: a gain not merely financially —not merely by the population becoming more efficient as agents of production, but also from the higher *morale* which they will acquire, thereby "sweetening the breath of society," and purging the commonwealth of its corrupt parts. Poverty, intemperance, and crime can never wholly disappear: a large portion of those evils is simply the result of defective organisation; but by far the larger portion is the result of vitiated health, unaided ignorance, and bad surroundings. Let us do our best to cure what is curable, and the result will amply repay the momentary sacrifice. England without her "dangerous classes"—without her involuntary paupers, and without the crime and drunkenness begotten of poverty, ignorance, and defective training—would be a glory and a paradise of the earth.

The education of the people, and legislative measures of protection for the children of the poorer classes, are now acknowledged to be an essential

part of the duties of the State. They are moral and sanitary agencies of the highest value. But are there not other agencies of a directly money-making kind which may be brought to the help of the weaker classes,—and the adoption of which by those classes may be considerably assisted by the State?

As regards the working-classes, the Co-operative system is by far the best—practically the only direct—means of enabling them to rise above the wants of the hour, by acquiring, in their own small way, reserve-wealth. Co-operative societies are of two kinds: some aim directly at production, such as manufacturing establishments; and others devote themselves to retail business, in the shape of supplying the members with goods. But in both cases the aim is the same,—namely, to give to the working-classes a part of the profit which otherwise would go to capitalists. Singly, the working-classes cannot accomplish this: by Co-operation, by the junction of many very small savings, they can. In a Co-operative factory, they obtain for themselves the profits of a master,—in other words, of a capitalist: in a Co-operative retail-store they do the same. In each case, by combining their small savings, they

play the capitalist to themselves, and share among themselves the profits. In a factory, they divide the profits of management and of capital, obtaining the whole price for the goods which they produce. In a store, they do the same, by obtaining the goods which they require at cost-price. In the latter case, also, the invaluable virtue of providence is promoted by the system of ready-money payments which is made imperative in all such establishments.

The Co-operative system, even when fully developed, will never obliterate the line which separates capitalists and labourers. There will always be men who, either by inheritance or by superior sagacity and prudence, possess a far larger portion of wealth than others; and there will always be a far larger class who, by inferiority of mental organisation, by comparative deficiency of practical intellect or of prudential character, must rely from week to week upon their labour. But the Co-operative system will partially obliterate the hard line which at present separates those classes. The spirit of the British Constitution throws open a career to all men. Even the hereditary peerage, the most exclusive of all our bodies, is annually recruited

from the ranks of the people. And any means by which the far lesser change is accomplished of transmuting the wages-receiving classes into men holding a permanent interest in the factory where they work, is not only desirable in itself, but strictly in consonance with the spirit upon which alike Society and the Government in this country are framed.

The initial difficulties in this, as in all other new developments of finance, are serious. It is only experience which can teach how such improvements may be safely and wisely carried out. If the working-classes, intoxicated by the noble idea of Co-operation, were suddenly to rush into the scheme to a large extent, doubtless many miserable failures would ensue. Such a course is to be deprecated, alike in the interest of the intending co-operatives, and also because of the discredit which it would bring upon a cause essentially good.

The best and safest form in which the co-operative system can be worked under any circumstances, and especially at the outset, is when the enterprise is undertaken in concert with a capitalist or large employer. Say that a millowner, reserving two-thirds of the capital invested in his business, resolves to divide the remaining third into very small

shares, offered to his workpeople. *All* the workpeople, doubtless, will not at first accede to the scheme: and preparation must be made for this. Say, then, that it is arranged that 10 per cent shall at all times be divided (if the profits reach this moderate amount) among the shareholders—each shareholder receiving 10 per cent on the portion of the capital which he has subscribed,—and that thereafter the surplus receipts be divided equally among all the workpeople, whether shareholders or not. But what if the profits are much beyond this point? It would not, we think, be fair that the whole surplus above 10 per cent should, if the surplus be large, go to the workpeople alone,—else there would be a cause of dissatisfaction to the capitalists (the shareholders), who might withdraw in order to embark their money and labour in other and more remunerative business. While recognising the claims of Labour, the claims of Capital must not be forgotten. Say, then, that while the profits above 10 per cent are divided equally among the workers (the working shareholders included), this arrangement should only hold good up to the limit of 15 per cent of the profits: any surplus above that amount should be disposed of in such a manner

that one-half of it would go to the shareholders, and only the other half to the workers in general (working shareholders included). Above 20 per cent, three-fourths of the profits should be similarly appropriated to Capital alone, and one-fourth to pure Labour. In brief, the shareholders (co-operatives) would divide all the profits up to 10 per cent among themselves; the portion of profits above 10 and up to 15 per cent would be divided equally among all the workers, whether shareholders or not; of the profits above 15 and up to 20 per cent only one-half would go to the workers as a whole, the other half to shareholders alone; and of the profits (if any) beyond 20 per cent, only one-fourth would go to the workers as a whole.

Of course the working-classes themselves may form Co-operative Societies, and start factories or other trading-establishments, entirely of themselves, and with their own subscribed capital and combined skill. And doubtless there are some men among the working-classes who have capacity to administer such establishments successfully. The more of such societies the better. Nevertheless, there is a great advantage, especially at the outset, in combining the great employer or capitalist, with his large

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means, his scientific knowledge, his long experience, and calculating judgment, with the patient labour of the less gifted multitude. And in almost every case there would still remain the question (stated above) as to the portion of profits to be divided among the pure workpeople, apart from those who are also shareholders. For it is hardly possible to conceive an establishment in which every employé will also be a co-operative.

There is another most important question which I desire to bring into notice—namely, Credit for the Poor. Now, Credit involves two things,—the possession of wealth and the possession of character. Neither of those elements of credit can be known to strangers,—character especially being entirely dependent for its value on the fact of its being known. Now, suppose a small tailor or shoemaker wants a loan. By the system of cash-credits, long-established in Scotland, and known in principle in all parts of the kingdom, he might get a loan from a bank—not on his own character and circumstances as known to the bank, but owing to two men who are well known to the bank becoming security for him. This is a great boon. But in such a form, credit can never be easily or widely obtained. The

men who become security in such cases derive no profit from the transaction. They do it, speaking roundly, simply from benevolence. Such a system cannot go far. Is it impossible to find other means of extending this good work?

The first means is by the establishment of Credit-Societies among the working-classes. In such societies each member becomes well known to his fellows; the directing body knows how far he is to be trusted,—which banks do not; and they may give him a loan, which he could not obtain otherwise. Such loans would doubtless be small; but it is small loans only that are needed. Hence the working-classes should organise many such Credit-Societies,—each of them a local concern, embracing members more or less known to each other. This *knowledge*, in fact, is the important point: for no credit-society should lend to a petty shopkeeper or other person whose character and circumstances are not known to it, any more than a bank would do so.

By means of such loans a small tradesman would, being enabled to buy wholesale, get his raw material cheaper than otherwise,—buying in quantity, and paying, it may be, in cash. Retail-dealers, shop-

keepers, also, would thereby be enabled to profit in a similar way.

Credit is the great lever of production. It vastly multiplies the productive and wealth-making power of the individual, by enabling him to obtain from others (who do not trade themselves) wealth which he can employ in trade with a good profit. But the grand difficulty is, that no one lends to the Poor. Wealth obtains credit: Poverty none. To him that has is given. Thus, wealth begets wealth; whereas poverty remains permanently poor. Once make a man a small capitalist, and he will get credit, and his productive powers and wealth may indefinitely increase. But how to give him this start? Among the lower-middle class, it is true, this difficulty is tolerably met in our country. By the admirable system of "cash-credits," whereby money is advanced upon character, independent of capital, poor Scotland has thriven amazingly,—individuals of the lower-middle and even of the working classes rising into both wealth and social position. Two men become security at a bank, and thereupon credit is given, though the person thus credited has not a penny to start with. To some extent the same beneficial system prevails in Eng-

land. But the point is, How to do this for the Working-classes as a body,—for the great mass who have no friends in the upper classes to help them, still less any reserves of their own?

We think that this is a problem for the State. We have said that the object of a Government, the duty of the State, is to do for the community what the community cannot do for itself. The task above stated is a work of this kind. Doubtless it is a difficult work to accomplish; but in so far as it can be done, it must be done by the State. By the State, or not at all. The State, as the representative of the Nation, has a direct motive for helping the poor: no individual has. The poor, practically, cannot borrow; the ordinary sources of loans are shut against them. But the State, the nation as a body, is open to them. The State lends to the rich,—not indeed as a private boon, but for draining and other good and useful purposes, important as regards the Nation. But the State-aid should not stop here. Assuredly it is not less important to lessen the number of the Poor, to raise the condition of the working-classes, than to develop the resources of the Soil.

Such State-loans ought be made, not to indivi-

duals, but to industrial co-operative companies of the working-classes, where numbers may give security for repayment. In fact, roundly speaking, such State-loans must be made to co-operative societies. We do not advocate throwing away money. That would be sheer loss to the State, and no permanent advantage to the poor. But we advocate a system of lending to the labouring-class at the mere cost-price of the loans, even though the State bear the whole cost of the supervising process. We repeat, this is an object of supreme importance; and difficult though its full attainment be, it is worthy of the highest efforts of our statesmen. It is simply money lent by the Nation in order to raise a portion of the community into a better condition. If wisely made, such expenditure will repay itself amply, by producing more national wealth, political contentment, and social happiness.

There is no subject so tempting as this for the ventilation of crude schemes and baseless theories; nor is there any question in which crude schemes and rash theorising are so productive of mischief. The financial danger of such proposals is much the least part of the mischief; for the advocacy of impracticable plans and unattainable objects, in this

department of national policy, tends to produce discontentment, jealousies, and heartburnings among the lower classes, in whose interests such schemes are proclaimed. We therefore propound our views, earnestly indeed, but with diffidence. We do not proclaim them as dogmas,—we submit them as suggestions. We believe that the Government, whether it be Whig or Tory, is as earnest as can be desired to benefit the weaker classes of the community. All that is wanted is to discover practicable methods of accomplishing this object. And the task is not an easy one.

In a country like ours, where there are no State-lands, where every inch of the soil and every right over the waters has long been in private possession, it is impossible to give *Property* to the poor, or to any one, save by taking it from others. The true object of legislation, in this matter, is to increase *Employment.* Do this, and the acquirement of property will follow. Let the State help to place the means of livelihood within the reach of the poor; and at the same time let it facilitate in every way the rise of the better part of the working-classes in the social scale, by enabling them by mutual co-operation, and with new aid from the

credit-system, to play the part of masters and capitalists for themselves. We do not mean that they should rise out of their own class into another and higher one,—though it is open to a few individuals to do so ; but that the condition of the whole working-class should be raised,—which is a wider and better boon.

III.

THE STATE, THE POOR, AND THE COUNTRY.

In addition to the methods already described for improving the condition of the weaker classes, and consequently of the community at large, I desire, in conclusion, to suggest other work for the State, —work by which the poorer classes will be benefited, while a new means is provided for the development of the National Resources.

A grand work lies before our Statesmen,—namely, that of developing the resources of our country, and, by the same process, of converting into agents of production a large portion of our pauper population. These are the two elements which have to be turned to better account than at present,—namely, the unproductive Labour, and the still imperfectly developed natural resources of the Country.

The first of these objects includes the thinning of the ranks of pauperism, and the diminution of the "sunk capital" annually spent in poor-rates. In the new Parliament, where the working-classes are fully represented, such objects are likely to be carried out with an earnestness unknown before. The working-classes themselves, we believe, have the spirit, as they unquestionably have a direct interest, to check the growth of the idle poor; and probably we may expect that severer measures for this purpose will be adopted than hitherto would have been politic. For a middle-class Parliament to enact stringent laws relating to the idle poor, would have excited false and bitter charges of oppression; but laws passed by a Legislature in which the working-classes are fully represented will be open to no such charges or misrepresentation. In all probability we shall ere long see the Apostolic maxim enforced, that if a man is to eat he must work. Involuntary pauperism, we doubt not, will be cared for better than at present; but self-imposed pauperism—professional mendicancy, the pauperism which becomes a trade, and attaches itself like a gnawing and sapping parasite to the Social body—will, it is to be hoped, be treated with

no mawkish sentimentality. The power of the Executive over those voluntary paupers ought, for the sake of the honest poor and of the community as a whole, to be strengthened; and the stern and righteous fiat may go forth, If a man will not work, neither shall he eat. One of the first steps in this direction should be the rendering more stringent the Vagrancy Laws,—a measure advantageous in itself, and also important as a means of checking the socially vicious practice of indiscriminate almsgiving. Greater powers should also be conferred upon the State for employing able-bodied paupers in productive industry; and in order to give effect to those powers, it is requisite that there should be a consolidation of the various Boards for the relief of the poor.

But, simultaneously with such measures for compelling the idle classes to fulfil their duty as members of the community, the Legislature will require to adopt means for extending the area of work. Despite the perennial drain of Emigration, every year a hundred thousand individuals are added to our population,—all of them competitors for employment,—constituting an addition to our labour-market; so that either the means of employment

must be correspondingly increased, or the poor-rates must increase, and the condition of our masses must deteriorate. Doubtless, owing to our expanding trade, the means of employment are yearly increasing, — yet, judging by the amount of our poor-rates, barely to an equal extent with the growth of the population. But even if the means of employment did increase in proportion to the growth of population, this would only suffice to maintain the existing condition. We are not content with such a state of affairs. And we should be sorry to think that any Minister, or any member of the community, is content. Our extending trade may suffice to give employment to the new competitors for work who annually enter our labour-market; but, as experience shows, no increase of trade suffices to convert any portion of our million of paupers into productive agents.

In order to do this, there must first be the pressure of legislation brought to bear upon our able-bodied paupers; and simultaneously the State must find for them new fields of work of a productive kind. The stone-breaking in our poorhouses is absolutely worthless as regards pecuniary return; and the whole system of treating the poor is

thoroughly demoralising. The honest poor ask for work, and instead we give them alms,—a pittance hardly sufficing to keep soul and body together, while destroying self-respect in the recipient. If we could give productive work to the able-bodied poor, and pay them for it even at a very low rate, we should preserve their self-respect, and also be able to maintain them in a tolerable degree of comfort. As for the professional paupers, they have no self-respect to lose; but at least we may compel the able-bodied portion of them to become agents of production,—thereby lightening the burden of poor-rates, while improving both morally and physically the condition of those applicants for relief. The point, then, is, *to create new fields of employment, especially for unskilled labour, not merely of a temporary but of a permanent kind,*—works such as will not only give employment in their construction, but which will also permanently add alike to the wealth of the country and to the area of remunerative work. In what quarters are such new fields of employment to be looked for, and what is to be their character?

The part which the State must play in this matter is of a twofold character,—by Legislation, and

also by direct action as an employer of labour. First, as regards what may be called simple Legislation, — which, as we shall proceed to show, is requisite alike as an incentive, and as a facility, for the development of new fields for labour and new sources of national wealth.

It was one of the cardinal duties of the old Persian religion—of that worship of Light, and perpetual struggle against the forces of Evil, which formed the noblest religion of the ancient world—to utilise and beautify the earth, and to keep pure the rivers, the wells, and the waters. We may profitably act upon those injunctions at the present day. One of our great but still unsolved problems is, how to keep clean and healthy our towns, without polluting the rivers, and without wasting the means of enriching the soil. As yet but little progress has been made towards the attainment of this threefold object. The drainage of many of our towns is still most imperfect, so that alike the health and the wealth of the community (and health of itself adds to wealth) are impaired—are inferior to what they might and ought to be. And even where the drainage is adequate, it is only accomplished by polluting our rivers, and also wasting the manure which ought

to be given back to the soil. While admiring the splendid drainage-system now being carried out in London, where miles upon miles of magnificent subterranean culverts are constructed to render clean and wholesome the Metropolis, does it not excite a feeling of wonder and of deep regret to see, as the issue of all this grand work, a vast river of manure daily and hourly pouring itself wastefully into the barren depths of the sea? A Pactolus flowing past us without an effort to extract its golden sands! A vast mine of wealth ceaselessly emptied into the ocean! A gigantic robbery of the soil,—a defrauding of the land of the rich waste which ought to be returned to it! It is as if, in a mighty forest, the fall of the leaf and of the decaying timber were to be intercepted, and the soil were ceaselessly called upon to "Give, give," without any return to it of the wasted elements of its former products.

One great object, then, is, while improving the sanitary condition of our towns, and thereby adding alike to the health, wealth, and happiness of the nation, to return to the soil the precious stores of manure at present poured not only wastefully but injuriously into our rivers. While improving the health of the community, we must simultaneously

utilise the sewage, and give back to the soil the fertilising elements which itself has produced. And this second process will suffice to accomplish our third object. For, by so using the sewage, we shall at the same time rid our streams and rivers of the sterilising pollution at present poured into them. There is no filter like the earth: sewage-irrigation not only suffices to deposit in the soil all the rich particles of the fluid, but also to purify the water ere it is poured into the rivers. Thus we shall add to the supply of pure water, which under the present system of neglect is yearly becoming less adequate to the wants of the population, and also render our inland waters again fit to play their natural part as producers of food. It will enable us to stock our rivers and streams with fish. At present many of those streams are rendered barren—are prevented from yielding their natural produce, and helping to supply food for the population—owing to their pollution by sewage, as well as by reason of the poison poured into their waters from our factories.

As regards the sea-fisheries on our coasts, it may be expedient for the State to impose a "close-time," as it does in regard to our inland waters. There

are difficulties, no doubt, in the way of adopting this course, for the facts of the case are as yet but imperfectly known.* Nevertheless some such measure seems to be called for in order to prevent the exhaustion of these food-resources of the country, by stopping the murderous capture of gravid fish. It is now admitted that we have overfished the oyster-beds on our coasts,—we have despoiled them ignorantly and recklessly, without taking any care to maintain their reproductive power, much less to extend their area by planting new ones:† but an infinitely more serious loss, because affecting the food-supply of the masses, is occasioned by the annual destruction of the female mackerel and herring while in roe.

In these important matters—namely, as regards the sewage, the fertility of our rivers, and of our coast-waters—the only part which the State has to play is that of Legislation. It will not of itself

* The greatest authority on questions relating to pisciculture and the development of our fish-supplies, is Mr J. G. Bertram,—who, not only in his valuable work, 'The Harvest of the Sea,' but in the leading periodicals and reviews, has ceaselessly urged upon the public the advantage of developing the food-resources of our rivers and waters.

† Under the directions of Professor Coste, of the French Institute, a yearly increasing number of oyster-beds are being planted round the French coasts.

develop those resources—for private enterprise is adequate for this work: but it will clear the way. Especially as regards the utilisation of sewage, Invention must supplement legislation; but legislation will greatly quicken invention by bringing to bear upon it the stimulating pressure of Necessity.

In all these matters, while the State clears the way, private enterprise must do the rest. As regards the utilisation of the sewage, joint-stock companies will be formed for conveying our rich waste to the fields. Moreover, a new field for the use of sewage will be created by the State-works suggested in the sequel. The stocking of our rivers and inland waters with fish—nearly all of those waters being private property—must likewise be accomplished by private enterprise. As regards some of our lakes, companies may be established for the purpose of converting them into fish-farms. History tells us how the Egyptians of old annually raised a large revenue from a single artificial lake, formed by the overflowings of the Nile. In China we see the same thing done at the present day; even the temporarily flooded rice-fields there are stocked with fish, and yield food to the labourers. Doubtless, if a lake is to be converted into a fish-farm, we must act as we

do in all other processes of production. We feed the soil by manure, in order to raise it to its full power of production; and if we want to get the most from farm-stock, we do not leave the sheep and cattle to find food for themselves solely from the hillsides or the uncultivated ground. We must act in like manner if we would develop the food-producing power of our lakes and ponds. Especially in the case of the English and Scottish lakes, whose beds are for the most part rocky, the food-elements which they contain must be increased, by the sowing of water-plants in the shallows, and suchlike means, in order that the growth of their marvellously prolific finny population may indefinitely increase. If the large lakes of Great Britain and Ireland were thus cultivated—if our ponds and canals were stocked with carp, our marshes with eels, and our rivers with trout and salmon—the addition thus made to the food-producing power of the country would be far greater than almost any one at present imagines. I see no reason why an acre of water might not be made as productive as an acre of land. Country gentlemen, who have any waste or ornamental water on their estates, should stock it with carp,—if not for the sake of their own tables, for the

benefit of the poor of their respective neighbourhoods. And if it be remembered that nearly one-half of our entire population are dependent for food upon the corn and cattle imported from abroad—not to speak of the immense amount of what may be called luxuries, such as tea, coffee, &c.—the importance of this object can hardly be overrated. It would add alike to the food and to the employment of our people.*

As regards the Land, the action of the State must be of a more direct kind. There are vast natural resources of the country which cannot be turned to account save by the direct action of the State. The works requisite for this purpose are too great to be undertaken by private enterprise. They are either so costly, or they involve so many separate and conflicting interests, or else the return upon the expenditure would be so remote, as to render their execution impossible save by the State—by the Nation as a whole, acting through the Executive.

* The marvellous, if not perilous, extent to which our population is dependent upon foreign countries alike for Food and for Employment, and the urgency of developing our own food-resources, was pointed out in my work on the *Economy of Capital*, p. 381-408, and a detailed statement of our Food-imports is given in my later work on the *Science of Finance*, p. 55. Even in ordinary years, we import food and food-luxuries to the value of nearly eighty millions sterling!

As an example of this kind, we may particularise the reclamation of the vast waste-lands of Ireland. An immense tract of the central and western area of Ireland, comprising fully a million and a half acres, at present exists in this useless condition. Besides the "Bog of Allen," extending in dissevered portions through King's County, Longford, Westmeath, and Kildare, there is a far vaster tract of waste-land lying west of the Shannon, in the counties of Galway, Roscommon, and Mayo. Such a work of reclamation may suitably, and we believe profitably, be undertaken by the State. In many cases, the portion of the soil which presents the greatest initial difficulties, and which is the last to be brought under cultivation, proves the most productive in the end. This has been the case with all our marshy flats: and we believe it will prove true in the case of the peat-bogs and marshes of Ireland, where deposits of rich material are likely to be found, ready to manure the reclaimed ground; and where in almost every case we may look for an underlying virgin soil, composed of decayed vegetation, which will abundantly repay cultivation.

In the reclamation of those Irish waste-lands, two different processes must be adopted. As regards

a great portion of the area, drainage on an imperial scale must be undertaken: works extending over great distances, and passing through the estates of many separate landowners, in order to carry off the sterilising waters from those inland tracts to the sea. And in regard to the whole of this wide region of bog, whether marshy or dry, costly processes of reclamation and cultivation are required. In most parts, the peat must be removed before cultivation can begin; and Science now enables us to turn to profitable uses even this superincumbent mass of sterile soil. In other parts, woods may be planted, which in the course of years will yield an annual revenue in the shape of timber. Any one who visits Dunkeld, and some other parts of the Scottish Highlands, may see what magnificent trees can be grown, and how extensively timber-cultivation may be applied, upon a thin and rocky soil incapable of any other kind of production.

The State, of course, before engaging in those operations, would purchase the area of waste-land which it proposed to reclaim: a purchase which would cost little, and the payment for which could be made in such a manner as to defer the greater part of the burden until the lands become productive.

Thus, besides obtaining a large and new field for the employment of unskilled labour, and also securing a great future addition to the resources of the country, the State, being in possession of this large tract of reclaimed ground, could try the experiment of leasing the ground in small holdings to Crown-tenants. This is a measure strongly urged, in some quarters, as a means of improving the social condition of Ireland: and it certainly could not be adopted in a better manner than that which we propose. From the outset of these State-works of reclamation, additional employment would be furnished to the Irish poor and peasantry; and in the issue, a large extent of Crown-lands would be obtained, upon which the experiment of small holdings might be tried in the best form.

Another work, similar in purpose, though widely different in form, remains to be accomplished by the State. The grand obstacle to the growth of this country, in population and national power, is the smallness of our territory,—the limitation imposed upon our growth by the engirdling seas. The greatest boon that could happen to us would be if the sea were suddenly to throw up a broad margin of dry ground all round our coasts. Such

an ocean-gift, of course, is not to be looked for. But a great addition to our resources—alike to the supply of employment and of food—would be obtained were the enclosure of land from the sea, from the tidal margins, to be undertaken as an imperial work. Look what Holland has done,—nay, did centuries ago. And if the Dutch—then poor in wealth, scanty in numbers, though indefatigable in spirit—accomplished so much in this respect several centuries ago, what may not the British nation now accomplish, with our vast wealth and superabundant population, aided by all the engineering science and mechanical appliances which full-grown civilisation places at our disposal?

A glance at the map will show what wide enclosures might be made even on the coasts of England alone. Look at the extensive shallows of the Solway—of Morecambe Bay—of the Wash—of the estuary of the Severn, and at the mouth of the Thames. In the Bristol Channel several miles of sea-bottom, covered in many parts with alluvial mud, could be reclaimed—with great advantage to the navigation, which at present is very perilous. Large enclosures also might be made on the Essex coast, stretching from Southend northwards to the

mouth of the Blackwater. This is an area of operations for State-works for years to come. Here, if not elsewhere, is an ample field for the profitable use of all our wasted sewage. Those sandy tracts, left bare, or almost bare, by the refluent tide, might all be enclosed, and added to the productive soil of our little country. The expenditure, it is true, would yield no pecuniary return for wellnigh the lifetime of a generation; but thereafter almost the whole rent of the land would be *net* profit, and would amply suffice to extinguish the State-loans contracted for the execution of those works. Moreover, even the present generation would benefit largely by the additional employment thus afforded for unskilled labour, and by the consequent thinning of the ranks of pauperism, and decrease of the poor-rates.

Nor would the State be left to bear the whole initial burden of such great and beneficial undertakings. Companies would be formed, undertaking special branches of the work of reclamation, and thereby lessening the task of the State. For example, a joint-stock company has been projected for removing and utilising the beds of peat which at present encumber the surface of the bog-region

of Ireland; and doubtless companies would spring into existence, in the wake of the State's operations, to do other parts of the work of reclamation, alike as regards the waste-lands of Ireland and the enclosures to be made from the sea. But the State must take the initiative: it must execute those parts of the works which, either from their costliness, or legal obstacles, or owing to the long time which must elapse before an adequate return on the expenditure is obtainable, cannot be accomplished by private enterprise. A joint-stock company is an ever-changing body, which cannot be expected to undertake the execution of works upon which (as in the case of reclamations of land from the sea) no returns are to be looked for until after the lapse of thirty years—in other words, until the first generation of shareholders has passed away. But the State—*i.e.*, the Nation as a whole—can afford to wait this time; especially as even the present generation would receive a return for its share of the burden in the lightening of the poor-rates, and in the increased comfort and contentment of the masses.

In the case of the waste-lands of Ireland, the first thing to be done is to make a complete en-

gineering survey, and system of drainage, for the whole area of waste-lands which it is proposed to reclaim. This is indispensable: for if the drainage-plans of any part be made without regard to the requirements of the whole district, the plans first executed may seriously obstruct those to be subsequently carried out,—as was disastrously experienced in the early drainage-works in the districts adjoining the Wash. But, while the engineering plan for the whole area ought to be made complete from the first, it does not follow that the whole plan should be carried out at once. No more work should be undertaken in any year than is sufficient to open a field for the employment of the surplus of unskilled labour which exists in the community, —namely, for the able-bodied poor who cannot find employment for themselves.* Out of regard to financial considerations, also, the work should be

* Sufficient work for our convicts, we believe, might be found without employing them in the works mentioned above. But if any portion of them were so employed, it would be indispensable that these gangs of criminals should be kept distinct from, and subordinate to, the other workers. There should be no degradation for the poor employed on those works,—only a rate of pay so low as to make them return to ordinary employment on the first opportunity. In fact, no money need be given to them at all: an order upon the Government Stores, established in connection with the works, for an equivalent amount of consumable articles, would suffice.

executed in parts. If the works were to be carried on at once and simultaneously over the whole area marked out for reclamation, a heavier burden would be imposed on the public than is desirable or necessary. The works, though planned as a whole, should be executed in parts; so that one part may be reclaimed, and rendered productive, before the others are undertaken. This could easily be done. Owing to the different levels, and other circumstances of those waste-lands, the drainage-plans would subdivide themselves into parts,—each of which, as regards its execution, would be more or less independent of the others. In this way the work of reclamation could be carried on gradually, —so as to require neither more labour than our unemployed population can supply, nor more money than can be expended profitably even with reference to the interests of the contemporaneous taxpayers,—*i.e.*, than the public would gain by the diminution of the poor-rates.

The enclosures from the sea, of course, could not be executed in this manner. The whole sea-wall would require to be constructed before any portion of the new land could be turned to account. As regards those enclosures, it is doubtful whether the

State should keep the new lands in its own hands, —leasing them to Crown-tenants. Unquestionably the heavy cost of enclosing and reclaiming these lands would be greatly lessened if the State confined its operations to the enclosure and drainage of the area, and thereafter made over the land to joint-stock companies, which should engage to render it productive by the use of sewage and other appliances. If the cost of carriage were not too great, no plan would be so efficient as to convey to those sandy tracts the peat of the Irish bogs, to be combined with the sewage of the adjoining towns; for peat contains the elements of the richest soil, and nothing so quickly converts it into such soil as the fermentation produced by mixing it with manure.

We must next venture a few words—although merely suggestively, or at best as an outline—with respect to the financial process by which the State should carry out those large works. In the first place, it is to be observed that such works would amply repay the State in future years by the permanent addition which they would make to the field of employment in this country,—thereby sufficing to retain, as tax-paying and wealth-making

members of the community, a portion of our people who would otherwise emigrate. These works would also add in an equal degree to the food-producing powers of the country. Nevertheless the future gain is not enough. We do not doubt the patriotic sentiments of the Nation,—we do not doubt that the public would be willing to submit in some degree to financial burdens in order that the prosperity of the country of our children might be increased. Nevertheless, it is desirable to render unnecessary any such sacrifice, however small, of present interests. And we think that the works which we have suggested might be executed without any addition to the taxation, local and imperial, of the country.

The main object, then, to be kept in view is to accomplish the proposed works without adding to the general taxation—local, of course, as well as imperial—of the country. And the first point to be attained is, that the present cost of those State-works should be compensated by the diminution of the expenditure of "sunk capital" in the form of Poor-rates. Conducted on the principles which we have stated, these works would not affect the ordinary labour-market of the country; they would

simply take the place of the present useless and demoralising labour in our Unions,—thereby preserving the self-respect of the applicants for relief, while rendering their work a means of repaying the cost of their maintenance. Under the existing system, the labour of able-bodied paupers is virtually wasted. Labour, in fact, at present is imposed upon the paupers simply to deter them from applying for relief. If employed on those State-works, the paupers—the poor who cannot get other work —would be maintained in a state of comfort, very different from their present condition. But, in return, the State would demand from them *work*,—and it would be work which would repay the cost of their maintenance in comfort. When it is remembered that the amount annually raised from the public in the form of poor-rates is about twelve millions sterling,* it becomes obvious that a very

* The amount of Poor-rates paid in England and Wales alone, in the year 1866, was £9,958,250. But *not one-half* of this amount ever reached the hands of the poor. Three millions (£2,997,642) were absorbed in Police and County Rates and other expenses "unconnected with Relief." Two millions (£2,054,048) were spent in salaries, for lunatic asylums (£566,000), and other expenses "connected with Relief." And 4¼ millions reached the hands of the poor, —£1,188,784 in the form of Indoor relief, and £3,196,685 in the form of Outdoor relief.

small, almost infinitesimal, reduction of that sum would suffice to pay the interest on the money expended in the execution of these great State-works.

And the interest on that sum is all that we have to do with. The future profit which will accrue from the works of reclamation will in the end suffice to pay-off the capital borrowed in order to execute them. In the case of the Irish bog-lands and wastes, this will occur at no distant period; but probably a generation must pass away before the proposed works of enclosure from the sea can become directly remunerative, — *i.e.*, before the return will suffice to repay the capital expended upon them. Although the State were to borrow at the present rate of interest on our State-Debt— namely, about $3\frac{1}{2}$ per cent—we believe no additional burden would be imposed upon the community. Such State-works might surely be expected to lessen the poor-rates to the extent of one-hundredth part (1 per cent): this, on the 12 millions, would be £120,000 a-year. Now, £120,000 a-year would be the interest on four millions sterling; and we do not think that more than this sum would ever be required at once. This would certainly be the case in regard to the

Irish waste-lands; for the land so reclaimed would speedily become productive, — yielding a revenue which would at once suffice to pay a portion, and very soon the whole, of the annual interest on the expenditure.

But in order to minimise the present charge for interest upon this expenditure, the State should borrow in such a manner that the burden would be less on the present generation than on the succeeding one: for example, by contracting a loan at 3 per cent *at most*,—which could easily be done, on the condition that at a given period the bondholders should be paid a larger sum than they subscribed. Say that the loan were contracted at 3 per cent, and that the subscribers of £100 were to be repaid £125 at the end of 25 years; this would virtually be borrowing at $3\frac{2}{3}$ per cent, although a part of the payment would be postponed to future years, when the State-works would become remunerative. In the case of the Irish waste-lands, the loan need not be for so long a period, and consequently the ultimate premium to be paid on the amount borrowed would be proportionately less. Nor is it requisite that the given time for the repayment of these loans should be absolutely adhered to. It would be diffi-

cult to ascertain correctly, at the outset, the date at which the reclaimed lands would yield a certain annual sum. But this does not matter. A time should be fixed for the repayment of each loan—say of £125 for every £100 subscribed: but the State might reserve to itself the right to pay off the loan sooner, or later, according to circumstances. If the loan were paid off sooner than the stipulated time, the bondholders of course would receive somewhat less than £125 for each £100. If it were paid off later than the stipulated time, then the State would on each year after that date have to pay interest on £125 instead of on £100. This would in no way alter the financial character of the compact, either as regards the State or the bondholders. The security of the State being absolutely perfect, the bonds would sell at nearly (if not quite) their full value from the outset; and they would do so likewise if repayment were postponed on the above-mentioned terms. In fact, the bonds, whether paid sooner or later, would always bear (nearly, if not quite) the same value; accordingly they would sell at the same price, *cæteris paribus—i.e.*, in the same condition of the money market.*

* As the State-loans would be of small amount—probably never

If this plan of State-works were carried out, the State would proceed to contract new loans in proportion as the first loans were paid off. Hence, as a matter of fact, there would be little or no payment of money in discharge of those loans. The public would take up the new State-bonds in lieu of the old ones: that would be all. But it would be exceedingly desirable, as a matter of accounts, that the loans contracted for each successive undertaking should be kept separate,—in order that the history of each investment might be recorded. Each loan should be kept distinct, and paid-off from the proceeds of the particular lands upon the reclamation of which it was expended.

It is important to add that these loans for Public

at any time exceeding four millions,—they might all be taken up by the Insurance Companies and other parties desirous of making a permanent investment in such State-securities, which would yield a slightly greater return than ordinary Consols. To such permanent investors, a State-bond for £100 yielding annually 3 per cent of interest, and repayable by £125 twenty-five years after date, would be equal to value to a bond bearing 3¾ per cent all through the period. On the other hand, if such bonds (like ordinary Consols) were constantly changing hands, their current value in the early years would be less than the full value,—seeing that any person who merely held them for a year would only get 3 per cent interest; whereas in the later years their value would exceed their average value for the whole period, — owing to the approach of the stipulated time at which they are to be paid-off at £125 for every £100.

Works should form a distinct and separate portion of the National Debt. They ought not to be raised in the form of Consols,—but as a new kind of State-bonds. It would be a double mistake to make such loans simply an addition to the Funds: first, because I propose that they should be borrowed at a lower rate of interest than that payable on the Funds,—the difference being made up in the form of a deferred payment. And secondly, because if they were mingled up with the main body of the National Debt, it would be much more difficult to pay them off. It is the magnitude of our 3 Per Cents which constitutes the most serious obstacle to dealing with them. They cannot be dealt with in part. Any proposal for converting them into another kind of stock must be made to the whole body of Fundholders. Hence any attempt to reduce the rate of interest upon them—say by converting them into 2½ per cent stock—must of necessity fail: for even though nine-tenths of the Fundholders were willing (which, however, they are not likely to be) to submit to this change, the refusal of the others would prove fatal to the scheme,—seeing that, in order to carry out the scheme, the Government would have to raise a new

loan of 70 millions in order to pay-off even so small a minority as we have supposed of objecting Fundholders. Moreover, even if no attempt were made to reduce the value of the 3 Per Cents,—though it were merely desired to convert them at their full value into terminable annuities, the scheme is rendered impracticable by the magnitude of the amount (780 millions) to be dealt with, even though all the Fundholders were willing to accept the proposed terms.

As my published works show, I am strenuously opposed to all needless State-intervention in industrial enterprise.* It is only where a great national work has to be accomplished, which private or local enterprise cannot undertake, that the State should intervene. The two great requirements of State-intervention are: first, that the work should be of national importance, yet beyond the sphere of private enterprise; and secondly, that the nature of the work should be specially fitted for the employ-

* In all the cases in which, in my work on the *Science of Finance*, I had to deal with proposals for State-intervention, the only principle involved was the simple question of finance, of pecuniary gain to the State by such intervention. And in all those cases I trust I have proved that no commensurate advantage is thereby obtainable, even as a source of profit to the State.

ment of unskilled labour,—so as to present a field for the profitable employment of the able-bodied poor who cannot get other work. In both of these respects, the great tasks which I here propose for the State are perfectly suitable. In the same category, also, may be included the construction of new railways in Ireland (but not the State-purchase of the existing lines), with the view of opening up districts which but for State-help must remain secluded and non-progressive.

One of the greatest wants of Ireland is a good system of railways. Railways, in truth, are the most important of all the means of increasing a country's prosperity and developing its resources; and yet, in this important means of prosperity Ireland is admittedly far behind the other parts of the United Kingdom. What, then, ought the Government to do in this matter? Can any really useful scheme be devised by which the help of the State can be given to remedy this want?

The idea hitherto uppermost in the minds of the Irish public is, that the State ought to purchase the Irish railways, and thereafter remain the great and sole owner of railway property in Ireland. We are unfavourable to any such proposal, nor does it come

within the scope of this little treatise as a matter of discussion. Such a form of State-intervention would certainly benefit the shareholders of those railways, but it would be of little service to Ireland. A grouping of those railways, by amalgamation, is doubtless desirable; but this is a question of economy in which the shareholders themselves are the parties most interested: and it is certainly no part of a Government's duty to do for companies what they have ample means of doing for themselves. Instead of adhering to this project, we think the Irish Members should consider whether their object would not be much better attained by leaving the existing railways in the hands of their present owners, and securing State-help in another and better form. What Ireland wants is an *extension* of her railway-system, so as to open up the country and increase the value of its agricultural resources; and this might be accomplished in such a way as simultaneously to *increase the traffic on the present lines*,—thereby giving, in a better form, the very aid from the State which is desired, and enabling the companies to make that reduction in their charges which is urgently needed.

Doubtless in many quarters great objection will

be made to the State meddling with railway property in any form. But such objections will not really be applicable to the present case. We admit freely and fully that the State should never interfere by undertaking works of any kind which can be equally, or even approximately, well done by private enterprise. At the same time it is equally true that it is one of the special functions of Government that the State should do for the community what the community is unable to do for itself. Now this is really the case as regards the want of railways in Ireland. The return upon capital invested in the making of railways in Ireland is at present so small that no private company will engage in such work. So that the question simply is, Is Ireland to remain in her present backward condition for want of railway accommodation; or should the Government come to her aid, and enable her to procure that improvement and extension of her railway-system which is indispensable to her progress towards prosperity?

The main wealth of Ireland lies in her soil. Agriculture is the staple of her industry. Yet under what vast disadvantages does the agricultural population of Ireland lie compared with the same class

in England and Scotland! The whole face of our country is covered with a network of railways, conferring upon farmers the double advantage of enabling them to bring cheaply to their farms the manures and materials which they require, and at the same time of conveying easily and quickly all the produce of their farms to market. Agriculture in Ireland has no such aid. Immense districts lie still unopened by railways, or even by good roads. How is "high farming" ever to be tried in Ireland when the cost of conveying manures, machinery, building materials, &c., is so enormous? And how can farmers have a fair chance of prospering when the charges for conveying their bulky produce (cattle and root-crops) to market swallow up an inordinarily large percentage of the price obtained for these goods? Moreover, what is the great obstacle to the reclamation of waste-lands in Ireland but the difficulty in the means of transport? An immense area of Ireland at present lies waste and barren, which, if reclaimed, would yield food and employment for all the thousands that now yearly fly from her shores. It is needless to expect that that vast region, covering so large a portion of central and western Ireland, will ever be reclaimed

until railways bring to the work their all-important aid.

The new lines will in no way enter into competition with the existing lines. They will not be rivals, but feeders of the old lines. They will penetrate districts hitherto almost roadless, and bring all the new traffic from those districts on to the present trunk-lines, thereby largely increasing their receipts. This is a better boon for the existing railway companies than if the State were to purchase the lines. And as regards the interests of Ireland, the system we propose would be immeasurably better than the other. The new railways to be constructed would be agricultural lines —lines of narrow gauge, light rails, sharp curves, steep gradients, and slow speed. Their cost would be but a fraction of the sum required for constructing the broad and solid trunk-lines. It may be said, it would be much more convenient if the new lines were to be of the same gauge as the present lines, in order that trucks, engines, and carriages might pass to and fro in all parts of Ireland. So doubtless it would; but the question is, not which is the more perfect arrangement, but which is the system better suited for present adoption. If Ireland

has to wait until her locomotive wants are supplied by lines of the solid expensive kind of railways such as she already has, we need not hope to see much improvement in our time. Light lines are the thing at present wanted in Ireland, in order that a maximum of good may be effected with a minimum of expense.

The next question is, Who is to construct those lines? If the Government had power to employ on State-works our able-bodied poor, we should unhesitatingly recommend that the State itself should construct the new lines. A comparatively small section of the 120,000 or 140,000 of our able-bodied poor would suffice to execute the works, while being maintained in a condition of comfort immeasurably superior to their present lot. But ere this can be done, there must be a great consolidation of the Unions—in fact, a revolution in our Poor-law system; and this must be a work of time.

Accordingly, we propose that the construction of the new railways should be left to private companies,—the State aiding the enterprise by guaranteeing to the companies a minimum dividend of about 3 per cent upon the capital required for

the construction of the lines. The State might or might not make all the surveys, estimates, and plans, but at least it would have to carefully examine and sanction them; and the guarantee would only extend to the amount of capital stated in the estimates as sufficient for the construction of the lines. In fact, we would apply in Ireland the system of State-help which has worked so well in India, and the adoption of which would be infinitely better than for the State to purchase the present Irish railways, and thereby involve itself in a heavy loss without any adequate return, as well as incur most onerous and delicate responsibilities. In making the new lines, the Government might stipulate beforehand with the landowners that the land required for the railways shall be given free; or else it might charge an impost upon proprietors whose lands would be traversed or otherwise benefited by the lines—a Railway Rate, similar in kind to the present highway rates. Moreover, it ought to be stipulated that all these new lines, at least, should be held free of local taxation. Indeed, as railways confer a great benefit upon every locality through which they pass, it seems objectionable that any lines should be charged

with local rates, at least until their dividend has reached 5 per cent.

In fine, although we cannot here enter into details, we may add that, if these proposals were adopted, we believe a thousand miles of new railways might be constructed in Ireland, opening up and developing the resources of the country, at a temporary annual charge to the State of never more than £50,000—a charge, too, which would not only gradually cease, but which, we believe, would be ultimately repaid; just as the Indian Government is now beginning to get back the money which it paid in the form of guaranteed interest to the shareholders of the Indian railways.

IV.

CONCLUDING REMARKS.

Of the various plans which we have suggested for the employment of the poor and able-bodied labourers, and for developing the natural resources of the country, the first to be undertaken, we think, are, the construction of railways in Ireland and the reclamation of a portion of the vast waste-lands of that country. Of the other plans, the enclosures from the sea,—being a work which would be much more tardily remunerative,—ought to be the last, and should be kept in reserve for seasons of exceptional distress. Nevertheless, even in this case, the surveys, plans, and estimates ought to be made at once, in order that the works might be undertaken promptly, when occasion required, instead of losing precious time when the distress is upon us, by having

to do then the preliminary work which may be advantageously performed at present.

An expenditure for those objects would be far more profitable than devoting an equal sum to the diminution of the National Debt. In truth, it would have been much better, and wiser on the part of Parliament, to have devoted the half-million now set apart for extinguishing a portion of the Debt, to the execution of such works as we have named. As a rule, money cannot "fructify" in the hands of the State, because the State does not *trade*. But in this exceptional case, the State would, for the sake of the nation, engage in industrial operations: and although these operations would probably give no direct gain to the State, even after the lapse of many years—direct gain indeed forming no object of the enterprise—yet the money expended would "fructify" as regards the Nation, by adding to the resources of the country, and moreover would benefit the State indirectly by eventually increasing the productiveness of taxation.

Ours is a very small country. And the greatest object of our Statesmen should be to compensate our geographical insignificance by developing to the utmost alike *the natural resources of the country and the productive powers of the people*. The first

step towards the attainment of this grand object of national policy is to diminish the numbers of our pauper-class, and turn to remunerative account the labour of those who remain. Irrespective of the present distress, and on the average of years, fully one-thirtieth part of our population are not only non-productive, but a positive burden upon the wealth, and a drawback upon the general welfare of the community. Every day in the year there is upwards of a million of persons on the poor's-roll, of which number at least 150,000 are able to work—a vast Army of Industry, at present turned to no account. Even if one-third of those able-bodied paupers were employed on works which would simply repay the cost of their maintenance, a sum might annually be saved amply sufficient to pay the interest on the State-loans required for the execution of such works; while these would not only give employment to those paupers, but would permanently increase the field of employment, while adding to the productive area and wealth of the country. We would thereby turn to account a portion of our nonproductive labour, while extending the natural resources of the Country.

The other great object of our national policy should be, to develop to the utmost the productive powers of our population. Despite every means

which may be employed to extend the productive area of our country, our population must ever remain small compared to that of the great empires now rising around us,—small also compared with the additions annually made to our population. Emigration must still continue to draft away from us a large portion of our national growth. Hence it is a matter of the utmost urgency that we should make the most of those who remain. If we are not to decline—rapidly, and for ever—in the scale of nations, we must develop to the utmost the physical, intellectual, and moral condition of our people. We must improve the condition of the lower classes, in order that Society may be happier, and the political fabric stronger. We must develop their intellect, their productive power, in order that the same amount of population may suffice to produce a greater amount of wealth. As regards productive power, we must seek to *make every man of our labouring-class in the future worth two in the past.* Just as, by the appliances of science, we have doubled the motive power of the steam-locomotive in the lifetime of a single generation, so must we seek, by means of education and culture, to develop the highest latent powers of our people. And progress in that form is, happily, almost illimitable.

The area of our little Isles may remain as it is, fixed by the surrounding seas; but the amount of productive force which may be evolved from our population may increase from year to year in a manner which would appear marvellous to ourselves if we could witness the results in the generation to come. Human power, in truth, is the most expansible of all forces: and by the earnest development of that power, our Islands, geographically so small—a mere speck on the map of the world—may steadily and marvellously expand in resources, like the magic tent of the fairy tale, which was large enough however numerous the persons who entered it.

A great future is still before England Let the State rise to the full discharge of its functions. Now more than ever the State is simply—the Nation acting for itself. Henceforth the State will be possessed of double strength,—of powers equal to the performance of every work required of it in the interests of the nation. Let it use those powers wisely and fully, and the British Isles will rise into new power and hitherto unequalled prosperity.

THE END.

North British Daily Mail.

A good book on the joint subject of our Monetary and Trade systems. . . An excellent work, full of clear and admirable maximic sentences, weighted with meaning, and which cleave to the marrow of a difficult question. . . We commend Mr Patterson's book to the English and Scottish Chambers of Commerce, to our Parliamentarians of both Houses, and to the commercial world.

The Irish Times.

Mr Patterson is not a writer from any mere speculative whim. He has taken up, and brought his extensive journalistic experience to bear upon, a subject affecting largely the social progress of the age, and having its basis in the soundest principles of Political Economy. If he is at any time speculative, he is also suggestive, and he invariably follows up the propounding of a theory with pointing out a practical deduction. To deal efficiently with a subject requiring so large an accumulation of facts implies on the part of the author superior judgment, acute reasoning power, and great subtlety in analysis. These qualities are pre-eminently remarkable through Mr Patterson's work. And perhaps, after the judicious arrangement of the materials at his disposal, there is nothing stands so prominently forward as its wonderful *concentration*. Considering that the subject is one in relation to which such extensive research is required, of which so clear and thorough an elucidation is necessary, and which, in consequence, demands the most comprehensive and elaborate treatment, every statement and argument of the writer seems to be confined to the smallest possible limits. But this is a concentration without the semblance of confusion, and utterly free from any crowding or ambiguity. How so densely-packed information may be communicated with such pleasing results, and with a power so sustained and clearly defined, may seem a matter of wonder; but the author of the 'Economy of Capital' is a clear and deep thinker, and always thinks and writes in order. He is terse and uniform in his statements, graphic and forcible in expounding his views; and whether exposing a fallacy or urging an argument, he never violates any logical canon. Mr Patterson commences his book with a chapter containing 'Thoughts on Gold,' in which his observations are so strikingly original, yet so *apropos*, that the reader begins to wonder why the matter has not previously engaged his attention. His sympathies are thus gradually enlisted, and he eagerly peruses the work through its different stages of development. To give anything like an adequate idea of a work so comprehensive within the limits of a review were more than a herculean task. The book, to be appreciated, must be read, and followed from stage to stage of its logical and argumentative development. Books on similar subjects are frequently too heavy to suit the majority of readers, but what is often a true result is not always a necessary consequence, and Mr Patterson's volume is a very decided exception. Grace, elegance, and vigour are its principal characteristics, and interspersed through the work are descriptive passages worthy of the best literature of the day. Versatile without flippancy, he is learned without being pedantic, and argumentative without an approach to dogmatism. The Laureate, in one of his noblest poems, lauds the progress of the nineteenth century, and tells us that we are only 'in the morning of the times.' If it be so, and if other intellects in the land are so usefully employed in developing our progressive tendencies as is Mr Patterson in the excellent work we have been reviewing, we may reasonably anticipate a glorious noon-day.

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